

USDA

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Farm Service Agency

Potter/Armstrong
USDA Service Center
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County Committee

Mike Menke - Chairperson
Brooks Gunter - V. Chairperson
Jerry Osborn - Member

County Executive Director

Albert Aguilar, Jr.

County Office Staff

LaDonna Adkins
Karan Jolly
Leta Walker
Liz Lobban

Farm Loan Manager

Mike Heck (806) 435-6597

Office Hours: 8:00 a.m. - 4:30 p.m.
Monday – Friday

AUGUST 2002

Regular Meeting Date

2nd Thursday of each month at 9:00 AM

Farm Bill Meetings 2002

There will be two 2002 Farm Bill Producer Meetings. The First meeting will be held in Claude at the Activity Center from 9:00 AM to 12:00 PM on Monday August 26. The second meeting will be held in Amarillo at the District Ag Extension office from 9:00 AM to 12:00 PM on Tuesday August 27. These meetings are being held to provide you a general overview of the Direct Cyclical Payments (DCP) Farm Program contained in the 2002 Farm Bill, to show you your options under the Program and the information FSA will need to begin the enrollment process.

Additionally, representatives from the Texas Agricultural Extension Service will be present to help you use their Base & Yield Calculator software which will be a valuable tool in helping you decide your level of participation in the DCP Farm Program.

Under the program and based on past planting history for a farm, producers may have up to five 2002 – 2007 crop acreage base options for a farm and the ability to update crop yields under certain conditions.

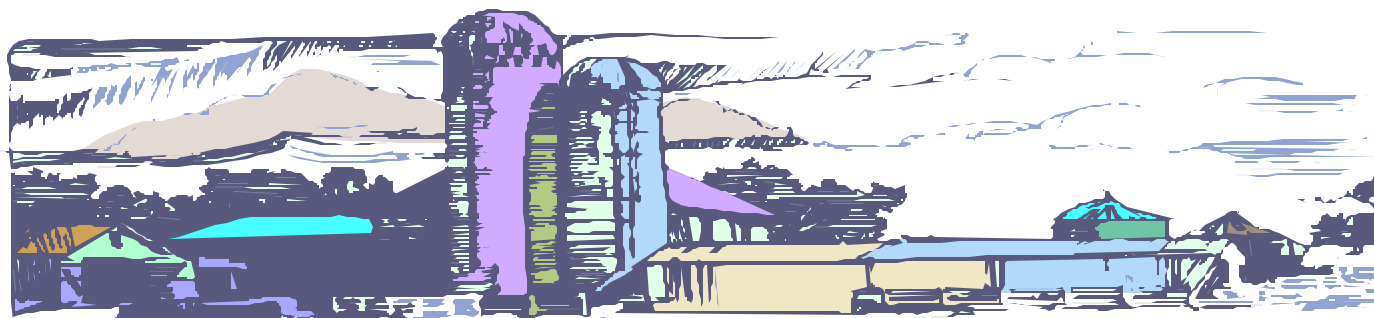
With the short time frame FSA has to implement this program, we encourage all producers to schedule a time to attend one of these meetings.

Dates NAP Sale Closing

September 3rd 2002 is the final date to purchase a 2003 small grain grazing NAP policy while September 30th 2002 is the final date to purchase a 2003 small grain forage NAP policy. Producers who purchased either of these type of policies for their 2002 small grain crops are reminded that these are also the final dates to pay the applicable service fees in order for their policy to continue for 2003.

Graze – Out Loan Deficiency Payments

A Graze – Out LDP is available for wheat, barley, oats or triticale grazed by livestock when you agree to forgo any other harvesting of the field for the crop year. Graze – Out payment rates are based on LDP rates, which is based on the rate in effect on the day the request is completed. Graze – Out yields reflect PFC yields. The County Committee will assign a yield if the commodity is grown on a non - participating farm. Graze – Out acres are ineligible for LDP for grain, commodity loan, crop insurance or NAP. Graze – Out applications will be taken through March 31, 2003 for the 2002 crop year.



Farm Bill Update

Farm Bill programs are beginning to take shape and we are looking forward to informing you about program details as soon as we can. Here is a sampling of the next commodity program.

Direct Payments – Direct payments will be calculated on either the farm's 2002 contract payment acres or the 1998 – 2001 average planted acres, at the option of the producer. Yields for all crops except oilseeds will be based on the 2002 contract payment yields. Oilseed yields will be determined on the farm's 1998 – 2001 average yields reduced by a national factor. A direct payment equal to 50% of your total payment will be issued December 1 of the year prior to the year the crop is harvested. The balance is issued in October of the year the crop is harvested. Direct payments are issued regardless of market prices.

Counter Cyclical Payments – These payments are issued when the effective price for a crop year is less than the target price. The effective price is equal to the sum of the following:

1. The higher of the 12 – month farm price or the national average loan rate; and
2. The direct payment rate.

The payment rate is the difference between the target price and the effective price. Payments will be paid on 85 percent of the base acres (the payment acres). Payments will be calculated by multiplying the commodity's counter – cyclical payment rate times the payment acres times the counter – cyclical payment yield.

Base & Yield – Base acres are established using either of the following:

1. Currently established production flexibility contract acreage for the farm and the average of the planted and prevented planted oilseed acreage from 1998 to 2001; or
2. The average of the 1998 to 2001 planted and prevented planted acreage of covered commodities.

Acreage Reports for History – If you did not report your planted crop acres between 1998 and 2001, you can now late – file your acreage report at no cost. This history will be used to create a base history for direct and counter – cyclical payments. Late – filed acreage reports require that you provide acceptable evidence of the existence and disposition of the crop. Evidence may include:

- Ledger sheets to show marketing of the crop
- Documentation showing payments were received
- Seed receipts showing the amount, variety, and date purchased
- Contract to produce a crop
- Receipts for cleaning, treating, etc., for the seed planted

Please plan on attending one of the Producer Meetings and continue to watch for future newsletters and mailings from our office. The actions you take now will impact your farm(s) for the next six years.

Emergency CRP Haying and Grazing

Based on the ongoing severe weather conditions and circumstance involved, Emergency CRP Haying and Grazing has been extended until November 30, 2002 for both Potter and Armstrong Counties. No additional payment reductions shall be charged to participants who previously hayed or grazed and incurred a 25 percent payment reduction.

Before haying or grazing may begin on CRP acreage, participants must:

- File a request for these activities on CRP acreage.
- Obtain a haying and grazing plan from the Natural Resources Conservation Service (NRCS), and
- Have their application approved by the county committee

Participants who request to hay CRP must also agree to:

- Leave at least 50 percent of each field or contiguous fields unhayed for wildlife, or
- Leave at least 25 percent of each field or contiguous fields ungrazed

The same CRP acreage may not be hayed and grazed. Haying is limited to one cutting. Uncut portions must be left in a contiguous block where possible. Any CRP acreage hayed or grazed is subject to a 25 percent per acre annual rental payment reduction. The 2002 annual rental payment scheduled to be made after October 1st, will be reduced by the number of acres actually hayed or grazed in FY 2002, times the CRP annual rental payment, times 25 percent.

Counties contiguous to an approved county are not eligible for CRP haying or grazing, and these activities will be confined to the acreage physically located within an approved county regardless of where the headquarters for the farm is located. Only livestock operations located within an approved county are eligible for emergency haying or grazing of CRP acreage. CRP participants with acreage in an approved county may lease haying and grazing privileges to any eligible livestock producer located within the approved county. CRP participants must notify the county FSA office of the producer's name, identify the acreage to be utilized, and remain liable for all contract obligations.

Participants must notify the county FSA office when haying or grazing activities have been completed. The final date for reporting the number of acres hayed or grazed is December 1, 2002. If grazing or haying activities are completed earlier than December 1, 2002, producers must notify FSA within 10 calendar days of discontinuing the approved activity. CRP payment reduction will continue to be calculated until FSA receives notification by the producer that haying and grazing has been completed.

Donating CRP acres for Emergency Haying or Grazing – At no Penalty

CRP participants may donate haying or grazing privileges to any livestock producer who does NOT have an interest in the donated acres. If a producer donates CRP acres for haying and grazing, there will be no penalty assessed or CRP payment reduction. CRP ACRES MAY BE DONATED IN THOSE COUNTIES APPROVED FOR EMERGENCY HAYING AND GRAZING ONLY!

Producers must initiate certain actions through this office **BEFORE** any haying or grazing begins

In response to recent drought and flooding across the state, the Texas Department of Agriculture (TDA) is maintaining a list of livestock producers seeking land to graze or hay. Contact TDA at (512) 463-2631 for more information

New Acreage Report Requirements

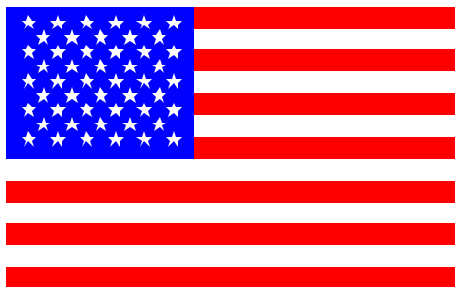
The Farm Security and Rural Investment Act of 2002 requires that acreage reports must be filed for 2002 through 2007 for all cropland on a farm as a condition for receipt of direct and counter – cyclical payments, LDP's and marketing assistance loans for that farm. In most cases for 2002 all cropland was not accounted for when you filed your acreage report. **This means that you will need to come in and make sure all cropland on your farm was reported for 2002.** PLEASE CALL AND MAKE AN APPOINTMENT to get this done as soon as possible. We are very busy reconciling acreage reports in preparation for the new farm bill. Appointments save both you and us a considerable amount of time. Thanking you in advance for your cooperation on this matter.

Debt Collection Improvement act (DCIA) of 1996

Producers with any delinquent Federal non-tax debt are eligible for marketing assistance loans and Loan Deficiency Payments (LDP's). A producer may be an individual, entity or a member of an entity. Special provisions for marketing assistance loans and LDP proceeds must be offset against outstanding FSA debts only.

Dates to Important Remember

- Final planting date for Wheat intended for grazing is October 1, 2002.
- September 3, 2002 final date to purchase small grain grazing NAP policy.
- September 30, 2002 final date to purchase small grain forage (hay) NAP policy
- Our office will be closed on Monday September 2, 2002 in observance of Labor Day.



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